

Income, Deductions, Credits and Tax Liability

Any credits the taxpayer may claim are subtracted from the tax liability to give the net tax. Taxpayers with capital gains income are allowed a credit equal to two percent of their capital gains. In effect, this taxes capital gains at a lower rate than other income. Other credits generally are a percentage of a certain type of qualifying expenditure the taxpayer has made.

The next six tables show information about individual line items on timely-filed full year residents' income tax returns for 2012 and 2013. For each line item, the table shows the count of the number of returns with a value on that line and the sum of those values. The total in each counts column is the number of returns with a number in at least one line. It is not the sum of the counts for individual lines.

Information in these tables is from unaudited returns as filed by taxpayers. It does not reflect changes or adjustments that taxpayers or the department may make after the extension filing deadline. It also does not include information from late-filed returns.

Montana Individual Income Tax Income Reported on Full Year Residents' Returns 2012 and 2013				
Income Items	2012		2013	
	Count	Total	Count	Total
Wage and salary income	425,171	\$14,686,234,302	430,895	\$15,189,765,954
Taxable interest income	210,367	\$313,116,530	199,058	\$294,150,425
Ordinary dividend income	115,986	\$627,611,683	117,539	\$550,135,312
Taxable refunds of state/local income taxes	99,170	\$90,148,991	100,817	\$89,267,424
Alimony received	850	\$13,225,614	870	\$15,065,175
Business income (Schedule C)	74,421	\$740,893,800	76,294	\$820,124,595
Capital gains income	105,833	\$1,491,198,437	114,250	\$1,314,178,279
Supplemental gains income	15,673	\$53,107,823	16,672	\$87,794,529
IRA distributions - Taxable amount	50,217	\$618,963,597	51,581	\$623,888,183
Pension and annuity income - Taxable amount	98,355	\$1,840,957,494	100,330	\$1,945,505,600
Rent, royalty, partnership, etc. income	98,670	\$2,340,910,723	103,996	\$2,554,830,019
Farm income	18,537	-\$135,868,886	18,870	-\$138,639,876
Unemployment compensation	36,502	\$158,526,968	32,991	\$129,933,369
Taxable social security benefits	75,231	\$721,660,925	80,470	\$803,830,707
Other income	<u>43,954</u>	<u>-\$552,854,708</u>	<u>43,391</u>	<u>-\$523,590,495</u>
Total income	535,648	\$23,007,833,293	546,167	\$23,756,239,200
Federal Adjustments to Income				
Educator expenses	10,909	\$2,543,254	11,162	\$2,674,808
Business expenses	640	\$2,092,264	675	\$1,945,823
Health savings account deduction	8,260	\$25,616,255	8,592	\$28,425,705
Moving expenses	3,230	\$4,960,850	3,502	\$5,789,550
One-half self-employment tax	60,276	\$77,679,329	62,427	\$84,415,172
Self-employed SEP, SIMPLE, and qual. plans	2,551	\$41,584,610	2,758	\$47,762,885
Self-employed health insurance deduction	22,225	\$116,803,202	23,892	\$132,130,435
Penalty on early withdrawal of savings	3,193	\$2,107,438	2,761	\$417,775
Alimony paid	1,199	\$15,398,290	1,222	\$16,013,124
IRA deduction	14,563	\$56,077,309	15,113	\$62,060,697
Student loan interest deduction	46,304	\$38,303,590	48,245	\$41,374,226
Tuition & fees deduction	6,164	\$13,060,037	5,747	\$12,198,697
Domestic production activities deduction	6,687	\$47,736,036	7,306	\$50,133,423
Federal write-ins	<u>324</u>	<u>\$1,554,002</u>	<u>335</u>	<u>\$2,430,892</u>
Total adjustments to income	139,849	\$445,516,466	144,872	\$487,773,212
Federal Adjusted Gross Income	535,699	\$22,562,316,827	546,225	\$23,268,465,988